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Federal Communications Commission
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all documents

Chairman of Commission

W. F. F.

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From: Amber Beres
To: Michael Copps
Date: Thu, Feb 13, 2003 9:23 AM
Subject: Please dave UNE-Platform

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Federal Communications Commission
Office of the Secretary

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Federal Communications Commission
Office of the Secretary

February 5th, 2003

Dear Commissioner Michael Copps:

I ask your support for the continued availability of the "UNE-Platform."

My company, Access One, offers local telephone service in select SBC territories. The company has achieved increasing success largely because it utilizes the combination of "unbundled network elements"— the UNE-Platform - to serve customers. It is absolutely *critical* that we have continued access to the WE-Platform to remain competitive.

Unfortunately, the Regional Bell Operating Companies have launched a full-scale attack on the UNE-Platform, realizing it is a major threat to their continued market dominance. Their strategy is to impose certain restrictions on individual network elements that would destroy the competitive value of the UNE-Platform. If the RBOCs succeed, it will all but end any chance for consumers to enjoy the benefits of meaningful competition in local phone service.

Please oppose any effort at the Federal Communications Commission or at state agencies to limit the availability of the UNE-Platform. The UNE-Platform should be firmly and permanently established as a viable service option for competitive telecom carriers.

Thank you very much for your time and attention to this important matter

Sincerely,

Amber Beres
Technical Service Representative
Access One Incorporated

EX PARTE OR LATE FILED

From: Angela Bingham
To: Michael Copps
Date: Tue, Feb 11, 2003 12:59 PM
Subject: UNE-Platform

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FEB 26 2003

Federal Communications Commission
Office of the Secretary

<<UNE-Platform Letter Michael Copps.doc>>

Thanks,

Angie Bingham
AccessOne Inc.
820 W. Jackson Blvd
Chicago, IL 60607
312 441 9950
312 441 1010fax



February 11th, 2003

Dear Commissioner Michael Copps:

I ask your support for the continued availability of the "UNE-Platform."

My company, Access One, offers local telephone service in select SBC territories. The company has achieved increasing success largely because it utilizes the combination of "unbundled network elements" – the UNE-Platform – to serve customers. It is absolutely critical that we have continued access to the UNE-Platform to remain competitive.

Unfortunately, the Regional Bell Operating Companies have launched a full-scale attack on the UNE-Platform, realizing it is a major threat to their continued market dominance. Their strategy is to impose certain restrictions on individual network elements that would destroy the competitive value of the UNE-Platform. If the RBOCs succeed, it will all but end any chance for consumers to enjoy the benefits of meaningful competition in local phone service.

Please oppose any effort at the Federal Communications Commission or at state agencies to limit the availability of the UNE-Platform. The UNE-Platform should be firmly and permanently established as a viable service option for competitive telecom carriers.

Thank you very much for your time and attention to this important matter.

Sincerely,

Angela Bingham
Audit Analyst
Access One Incorporated

From: ANlguy@aol.com
To: Michael Copps
Date: Thu, Feb 6, 2003 10:37 AM
Subject: SAVE UNE-P AS IS PLEASE!!

February 06,2003

Dear Commissioner Copps:

I ask your support for the continued availability of the bUNE-Platform.b

I am a consumer who uses Talk America, which offers local telephone service in a few states (MI,NY,NJ,PA). The company has achieved increasing success largely because it utilizes the combination of unbundled network elementsb b the UNE-Platform - to serve customers. It is absolutely critical that competitive local carriers have continued access to the UNE-Platform to remain competitive, and benefit consumers.

Unfortunately, the Regional Bell Operating Companies have launched a full-scale attack on the UNE-Platform. realizing it is a major threat to their continued market dominance. Their strategy is to impose certain restrictions on individual network elements that would destroy the competitive value of the UNE-Platform. If the RBOCs succeed, it will all but end any chance for consumers to enjoy the benefits of meaningful competition in local phone service.

Please oppose any effort that will limit the availability of the UNE-Platform. The UNE-Platform should be firmly and permanently established as a viable service option for competitive telecom carriers.

Thank you very much for your time and attention to this important matter

Sincerely

Thomas J Hendricks

From: aron nudell
To: commissioner Adelstein. KM KJMWEB, Michael Copps. Kathleen Abernathy. Mike Powell
Date: Wed, Feb 5, 2003 8:00 PM
Subject: Keep UNE-P going.

[2/05/2003]

Dear (Commissioner, Representative, Senator):

I ask your support for the continued availability of the UNE-Platform

My company, Global Link, LLC.. offers local telephone service in Baltimore, Md. The company has achieved increasing success largely because it utilizes the combination of unbundled network elements the UNE-Platform - to serve customers. It is absolutely critical that we have continued access to the UNE-Platform to remain competitive.

Unfortunately, the Regional Bell Operating Companies have launched a full-scale attack on the UNE-Platform, realizing it is a major threat to their continued market dominance. Their strategy is to impose certain restrictions on individual network elements that would destroy the competitive value of the UNE-Platform. If the RBOCs succeed, it will all but end any chance for consumers to enjoy the benefits of meaningful competition in local phone service.

Please oppose any effort that will limit the availability of the UNE-Platform. The UNE-Platform should be firmly and permanently established as a viable service option for competitive telecom carriers.

Thank you very much for your time and attention to this important matter

Sincerely,

Aron Nudell

V.P Global Link, LLC.

Do you Yahoo!?
Yahoo! Mail Plus - Powerful. Affordable. Sign up **now**

From: beth@cehca.org
To: Kathleen Abernathy, Michael Copps, KM KJMWEB, Mike Powell, Commissioner Adelstein, ncg5@pacbell.net
Date: Wed, Feb 12, 2003 2:51 PM
Subject: phone monopoly

Message from turn webmaster

1 main

Dear FCC Commissioner:
Elimination of competitive access to
wholesale phone networks
will kill local competition and leave
consumers with the worst of both
worlds, an unregulated monopoly.
Please reject the Bells self-serving
proposals to eliminate
the UNE-Ps, which would pave the
way for a bigger, meaner phone
monopoly unrestrained by regulatory
oversight.

Sincerely,

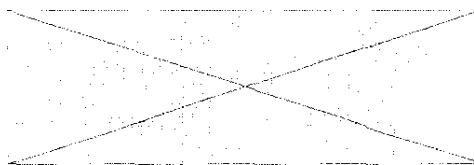
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<http://getperl.virtualave.net>

From: Bill Oberlin
To: Michael Copps
Date: Thu, Feb 6, 2003 3:06 PM
Subject: UNE-P rules

Dear Commissioner Copps.

<<FCC letter- Copps.doc>>

Please take a few minutes to read this letter Thank You!



February 5, 2003

Commissioner Michael J. Copps
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Mr. Commissioner:

As you know, there are varying opinions regarding the integrity of UNE-P federal regulation and if it does in fact benefit consumers through investment, innovation and competition throughout all telecommunications markets. **The answer is yes, and BullsEye Telecom along with our customers can validate its benefits.**

BullsEye Telecom acquired over 1,000 T1 and DSL data customers in the Metropolitan Detroit area between 1999 and 2000 by offering services the ILECs have chosen not to provide- such as metered T1 billing and Target Reports both of which track the amount and type of Internet usage. We then responded to the changes in the telecommunications market and embarked on our next unique service offering that would complete the needs of our current and future customers- local and long distance telephone service. Offering local services via the UNE-P platform and basing our business plan on these rules originated by the Telecommunications Act of 1996, we've spent **millions of dollars** and copious amounts of human talent/resources in developing systems and tools that will benefit the small to medium sized business owner- a large market segment which is continually overlooked and under-served by ILECs. Our motivation to satisfy our customers and the technological innovations that have been achieved include:

Advanced Systems

- "Electronically integrated" back-office that includes automated provisioning, order entry and tracking with the ILEC - giving our customers the services they want with no interruptions during the transition
- Integrated billing system that automatically downloads a customers order once provisioning is complete - ensuring 100% billing accuracy on invoices that are easy to understand **AND** can be viewed and paid on-line
- With these systems there is little need for human intervention- decreasing the chance of human error

Innovative Services

- Call Detail Records (CDRs) can be received with the invoice via the **US** mail, or accessed on-line to view, download and sort in ways that make sense for our customer to analyze calling patterns

- Specialized reponing analyzes a customer's usage by line and/or by account in order to map calling patterns, determine if they are utilizing services to their full potential or to make recommendations for change
- On-line account management that allows a customer to move, add or change service configurations 24-hours a day

Increased Customer Service

- All in-bound calls into Customer Service are answered, by a human, via a team often representatives supporting over 30,000 telephone lines
- Repair records are tracked and analyzed to determine if there is an outstanding repair or a pattern of repeated requests surrounding a common issue

Value

- Typically, we save customers up to 30% on their telephone bills while providing the extra customer services and benefits they don't receive from the ILECs

It is this *innovation* and *customer satisfaction* that has lead to our growth and is making BullsEye Telecom not only the provider o f choice for the small and medium sized business in the former five-state Ameritech region, but also a national provider for multi-location corporations. This unique niche has been made possible due to our abilities to provide corporate billing and a seamless transition of services across *state* and *ILEC* borders. In addition, because we can provide local, local toll and long distance services we give corporations consolidated invoices, summarized reporting and the convenience of having one point of contact for all their telecommunication needs.

BullsEye Telecom has successfully *given* our customers innovative, affordable services they nced to effectively manage their business. **If** you were to change UNE-P regulations innovation may stop, competition may be impaired **and** in many cases these small and medium size businesses will no longer have a choice. The fact is that **ILECs** -regardless of their large financial and human resources– will not spend the time or money like BullsEye Telecom has to meet the needs of these business owners.

In **conclusion**, it would be a gross injustice to the consumers of the United States to revoke any aspect of UNE-P regulations or that part of the Telecommunications Act of 1996. **You** will be forcing consumers to **go** back lo the ILECs, to give up unique sewice and to pay higher fees for substandard service. In an already strapped economy, **I find** it hard to believe the FCC would find this in the best interest **of** the consumer.

Sincerely,

William H. Oberlin

CEO

From: Blair Levin, Rebecca Arbogast, & David Kaut
Date: Wed, Feb 5, 2003 11:33 AM
Subject: UNE Triennial Review: Nothing is Over Until Three Say It's Over

> UNE Triennial Review: Nothing is Over Until Three Say It's Over (full note
> below)
> * We believe the FCC is likely soon to provide the Bells with a road map
> to substantial wholesale
> phone regulation relief at the expense of AT&T, WorldCom and other UNE-P
> providers, though it
> may not happen as quickly as some expect as the process plays out in the
> states and courts.
> * Some facilities-based CLECs could score modest gains, in our view,
> including through improved
> Bell provisioning and greater access to high-capacity lines at discounted
> prices.
> * We believe the Bells will receive important incentives to deploy fiber
> further out from their central
> offices and expand broadband services, though we doubt the FCC will
> eliminate line sharing,
> which would be good news for COVD.
> * We stress that the situation remains fluid and that many of the issues
> are interrelated,
> complicating compromise efforts - and specific predictions - because
> changes in one area can
> affect apparent agreements in another.
> * Given the complexities, the FCC may vote on an order and issue a summary
> of the decision by
> Feb. 20, without revealing key details until the full text is released in
> the following weeks.
>
> <<UNE Review 205.pdf>> <<Bell line-count attachment 205.pdf>>
>
> Blair Levin
> blevin@leggmason.com
> 202-778-1595
>
> Daniel Zito
> dezito@leggmason.com
> 410-454-4333
>
> Michael Balhoff, CFA
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>
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> 202-778-1978
>
> David Kaut
> dpkaut@leggmason.com
> 202-778-4341

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security numbers, account numbers, and personal identification numbers

Delivery and timely delivery, of electronic mail is also not guaranteed. Legg Mason therefore recommends that you do not send time-sensitive or action-oriented messages to us via electronic mail, including authorization to "buy" or "sell" a security or instructions to conduct any other financial transaction. Such requests, orders or instructions will not be processed until Legg Mason can confirm your instructions or obtain appropriate written documentation where necessary.



UNE Triennial Review: Nothing is Over Until Three Say It's Over

February 5, 2003

Blair Levin	blevin@leggmason.com	(202)778-1595
Daniel Zito	dezito@leggmason.com	(410)454-4333
Michael J. Balhoff, CFA	mbalhoff@leggmason.com	(410)454-4842
David Kaut	dpkaut@leggmason.com	(202)778-4341

- We believe the FCC is likely soon to provide the Bells with a road map to substantial wholesale phone regulation relief at the expense of AT&T, WorldCom and other UNE-P providers. though it may not happen as quickly as some expect as the process plays out in the states and courts.
- Some facilities-based CLECs could score modest gains, in our view, including through improved Bell provisioning and greater access to high-capacity lines at discounted prices.
- We believe the Bells will receive important incentives to deploy fiber further out from their central offices and expand broadband services. though we doubt the FCC will eliminate linesharing, which would be good news for COVD.
- We stress that the situation remains fluid and that many of the issues are interrelated, complicating compromise efforts and specific predictions -because changes in one area can affect apparent agreements in another.
- Given the complexities, the FCC may vote on an order and issue a summary of the decision by Feb. 20, without revealing key details until the full text is released in the following weeks.

I. INTRODUCTION

It's not often in this job that one takes inspiration from the John Belushi character of Bluto in "Animal House." But in hearing the reports of some that the Federal Communications Commission's decision-making process in the Unbundled Network Element (UNE) Triennial Review is basically over as a practical matter, we couldn't help but think of Bluto's immortal comment that "nothing is over until we say it's over." In this case, we think it's not over until three say it's over. We mean this in two ways. First, the FCC must find three commissioners who agree on the details of the plan. This will obviously happen at some point, but as yet, there's no majority on a host of critical issues. Second, there are three layers of government that will make the rules from here on out: the FCC, the states, and the courts. Until they have each completed their reviews, there is not certainty as to the new architecture of telecom competition. Details and process do matter, particularly in this proceeding.

This is not to say that we cannot project who the basic winners and losers will be. At the 30,000-foot level relative to the current rules, we believe the Bells and some mid-sized incumbent local exchange carriers (ILECs) will win, the interexchange carriers (IXCs) and UNE-P-based local competitors (CLECs) will lose, and facilities-based CLECs will have some modest wins and losses, depending on their particular market strategy. This basic direction, as we have noted, has been apparent since the beginning of the proceeding and we believe the market has to some extent incorporated that understanding. However, in our view, the UNE decisions are important not just for who wins and loses but for how and when the costs and benefits to the parties are realized and for how new opportunities and threats for the industry are created.

More specifically, our bottom-line projections remain in line with what we wrote in our December piece, the "Current State of Play of UNE-P": that the Bells are likely to gain significant relief in scaling back the use of unbundled switching at current discounts -effectively raising the wholesale price for the UNE platform (UNE-P) -though we also think the relief might not be as quick or clean as others believe. From a capital-markets perspective, we think the proceeding should be evaluated by its impact on the consumer and small business voice markets, large business markets, and broadband markets.

*As to the residential and small-business voice markets, our understanding is the initial draft of the decision would quickly eliminate the current UNE-P regime and provide the states a tightly prescribed role. We believe push-back from some commissioners will result in the transition being longer and the state role greater than contemplated by the draft. Nonetheless, we think in the end that UNE-P, at its current prices, likely will be phased out in many markets. We also do not believe that the Commission will create a regulatory regime that will enable a viable mass-market UNE-L (loop) strategy, where new entrants provide their own switching but still lease out Bell loops. As a result, AT&T(T), WorldCom (WCOEQ, MCWEQ) and other UNE-P providers will

face a difficult future in the consumer and small-business market, and the Bells, by having a better all-distance bundle, are likely to be dominant, particularly in residential wired telephony, in our view. We are nevertheless skeptical that the looming UNE-P changes will significantly spur Bell investment in new facilities.

As to the large business markets, our understanding is the draft item would, among other things, facilitate the ability of the IXCs and CLECs to substitute use of discounted UNEs for special-access services. This potential change would be positive for AT & T, WorldCom and the CLECs, and a negative for the Bells. However, we think this part of the draft is likely to be substantially changed in a way that will lessen the potential benefits to AT & T and WorldCom as well as the potential costs to the Bells while preserving benefits for facilities-based CLECs in urban business markets. The benefits to some CLECs could also be diminished, and gains to the Bells and other CLECs could be increased by proposed changes that would lead to the elimination of inter-office transport as a UNE in some largely business markets.

As to the broadband market (which is a subset of both the consumer and business markets), we believe the draft item would significantly improve the Bells' regulatory position when they deploy fiber in their networks. While there is still debate about the details of the proposal, we think the Bells will gain much of the relief they seek, which should help encourage Bell investment.

We emphasize the fluid nature of the debate and need for trade-offs as the Commission closes in on a decision. The status of the UNE proceeding is discussed in more detail below.

II. TIMING

FCC commissioners considering draft

The UNE proposal, drafted by the staff of the FCC's Wireline Competition Bureau at the direction of the chairman, is now with the other commissioners. The commissioners' offices have been studying the document which weighs in at about 400 pages, and are now providing input.

Decision targeted for Feb. 13 meeting.

The chairman is pushing the other commissioners to vote on the issue at the monthly FCC meeting scheduled for February 13. The Commission is to release its planned meeting agenda late in the day on Feb. 6. At this time, we believe it likely that the Commission will vote on the issue by the Feb. 13 meeting or by Feb. 20, when a related court stay expires, though the chance of slippage is not trivial.

Details of decision might not be known right away.

There is a significant possibility that the Commission will vote on an order and issue a press release by Feb. 20 without releasing the full text of the item for some time. In such a case, it could be that critical details affecting the timing and extent of the UNE-P phase-out, the role of the states, and other issues will not be known until the full text is released, possibly several weeks later.

III. KEY ISSUES TO WATCH

A. The Consumer and Small Business Voice Market (UNE-P).

While we believe there is a consensus at the Commission that UNE-P should be scaled back, there is disagreement over how it should be done. Among the issues the Commission must address are the following:

Economic Impairment: Market definition and standard.

The starting point of the FCC's inquiry is to determine where lack of unbundled access to an ILEC network element would impair a competitor. One key debate is between those who believe there is virtually no local market where the lack of unbundled access to an ILEC switch would economically impair a competitor, and those who don't. (Unbundled access gives CLECs the ability to lease out ILEC elements under the FCC's "TELRIC" methodology, which bases costs on the forward-looking costs of an efficient network, not the generally much higher historical costs of existing networks.) We believe the Commission will eventually find that there are some markets where economic impairment exists, at least presumptively, and the question is where to draw the line(s).

We note, however, adoption of a sub-national framework would not necessarily constitute much of a victory for IXCs and CLECs. We believe the Bell strategy involves opening the door for greater state discretion and continuation of UNE-P in more rural areas, where there are fewer lines and less incentive for UNE-P competition. For example, while the draft item apparently looks at economic impairment on a national basis, one alternative that has been discussed would presumptively eliminate unbundled switching (and thus the current UNE-P pricing regime) for markets served by central offices with more than 25,000 lines. Keep

unbundled switching for markets served by central offices with less than 5,000 lines, and give the states a more significant role in the impairment analysis for those markets served by central offices with between 5,000 and 25,000 lines. If that were the decision, unbundled switching/UNE-P would basically be eliminated for 60% of Bell lines (i.e., the urban and major suburban areas), maintained for 8% of lines (rural areas), and be subject to state reviews for about 32% of lines (small-town and outer suburban areas). So, the key issues, if such a framework is adopted, are where the FCC draws the upper and lower limits affecting the residential markets and the guidance it gives the states about evaluating impairment in the gray area in the middle. What are the standards? Are they binding? Who shoulders the burden of proof?

We note that there are a number of rural areas where, due to the low retail rates and the higher costs of doing business, UNE-P is an uneconomic platform even under current regulations. Further, there are markets, generally business districts, where the ability to aggregate lines significantly reduces the barriers to UNE-L competition. We hear that one framework being discussed would utilize current zone-density definitions, with the phase-out of unbundled switching being faster in the higher density zones. (Even in its 1999 order, the FCC created an unbundled switching carveout for ILECs in the "Zone Density 1"-major business districts - of the top 50 metropolitan areas under certain Conditions.) There are also factors, such as whether the switch is connecting to an analog or digital loop, which the Commission could use to provide a more granular analysis demanded by the D.C. Circuit. In short, a framework based on such factors is neither good nor bad for any industry segment: it is how the framework is filled in that matters.

Another proposal comes from Qwest (Q), which suggests eliminating unbundled switching in a year or less where there are three CLECs with switches in a LATA (local access transport area), which would give Qwest near-term relief in 19 of its 27 LATAs. The proposal was tailored to provide a more granular analysis that could help sustain illegally, as well as to attract state regulators' support. While the Qwest framework attracted a lot of attention, it does not appear to us to have gathered much momentum, at least as proposed. We note that under the details of the Qwest plan, the market impact would be roughly the same as a proposal to simply eliminate nationally UNE-P in a year in all but the most rural areas.

We don't believe there are three votes yet for any particular plan, but we believe the FCC is likely to target UNE-P for elimination relatively quickly in business and urban markets while keeping it for rural markets, with the timing and process for suburban residential markets still up for grabs. We note that the Commission may not make a formal business/residential split, but that the line-drawing exercise for economic impairment, as well as the performance standards for "hot cuts" (see below), could create a de facto business/residential distinction in which business UNE-P is generally phased out faster than residential UNE-P. In any event, this line-drawing exercise is a key issue that will determine where and how the phase-out of UNE-P at its current prices proceeds.

Operational Impairment: Hot-Cut metrics and remedies.

A second key issue is what changes the Commission requires in the hot-cut process by which a customer's line is transferred from a Bell/ILEC switch to a CLEC switch. We don't believe the draft would materially change the rules, but we believe there is Commission sympathy for doing more to help local competitors transition customers to their own switch. This raises two issues. First, what are the necessary hot-cut metrics that would enable a viable UNE-L business model? The industry parties are far apart on this issue and we do not yet sense a consensus exists at the Commission on these details. We believe those details are critical to whether the largest UNE-P competitors - AT&T and WorldCom - can successfully compete using their own switches, given their ability and need to generate mass volumes of orders.

Just as significant, in our view, is what remedy the Commission imposes for an ILEC failure to meet performance standards on hot cuts. We note there is a separate proceeding on ILEC wholesale performance metrics that the FCC plans to conclude later this year, but the UNE proceeding is also expected to address this issue in some way. We have heard that the draft may call for a re-imposition of UNE-P if the metrics aren't achieved. Others have argued that improvements in the hot-cut process ought to be a pre-condition for eliminating switching from the UNE list. If the Commission adopts the view that hot-cut improvements must precede the UNE-P phase-out, the process for determining what improvements are necessary and when they have been achieved will have a major impact on how quickly unbundled switching and current UNE-P is phased out and how well AT&T and WorldCom, among others, can compete in the residential phone market.

This issue affects both the timing of the UNE-P phase-out as well as the likelihood of any UNE-L strategy. While the parties dispute what hot-cut changes would justify mass-market UNE-L efforts by AT&T, WorldCom and others, we doubt the changes ultimately adopted by the Commission will be sufficient to make such a strategy a realistic business proposition. We also believe that the market assigns little, if any, value to the

possibility that AT & T or WorldCom could compete widely on a UNE-L basis (largely because there is no economically efficient, scalable process by which to do so at present). If we are wrong about our prediction as to the policy, however, and if the FCC does provide a glide path by which carriers are able to make UNE-L a viable option, the decision would be more positive for the IXC's and more negative for the Bells than we, and the market, currently believe is likely. If we are right, however, we think AT & T and WorldCom will have difficulty surviving against the Bell all-distance bundles in the consumer market. As noted in our December report, we think the possibility of an AT & T withdrawal from the local residential market is a wild card for how the post-FCC, UNE-P process plays out. In those markets where TELRIC-based switching is eliminated, it may be that it will be in the interest of some Bells and UNE-P providers to agree on a compromise (higher) wholesale price that keeps the competitors on the Bell network, but that remains to be seen. In addition, while there are economic incentives for AT & T to stay in the residential long-distance market and milk its still-large, albeit eroding, customer base for as long as it can, there also are political and antitrust reasons why it may make wish to make some public announcements as to a broader retreat from the consumer market.

State role and preemption.

Another key question the FCC is grappling with is what role the states will have in UNE-P policies going forward. Our understanding is that the draft would largely limit the state role to finding: state regulators would provide little, if any, judgment as to what constitutes the impairment needed to keep network elements on the unbundling list. We expect the states to gain a larger role through the Commission deliberations, but a critical question is the extent to which, under the FCC guidelines, a state can put off the elimination of switching from the UNE-P platform. A further issue is whether a state can respond to FCC elimination of unbundled switching by maintaining the requirement in that state under its own authority. While this involves a complicated legal analysis, the Commission, if it so chooses (and we understand the draft goes in this direction), can make it legally difficult for the states to retain unbundled switching.

As a practical matter, the key factor for investors to watch is the extent to which the FCC explicitly limits state regulators' discretion to make their own policy determinations as to the impairment finding needed to maintain unbundled switching. Whatever the FCC decides, the courts will likely have to settle the jurisdictional roles, and while we believe the FCC can ultimately win, it could be a messy legal and political fight. We also note that even if the FCC succeeds in restraining the states on unbundled switching, the states conceivably could compensate by hitting the Bells/ILECs in other areas or in the many other areas they regulate. It's a little like a balloon: you press in one area and the balloon expands in other areas.

Transition timing and mechanics.

Another set of key issues are those that affect how soon after a determination of no impairment would a CLEC have to transfer its customers' service to its own switch, or start paying a higher rate to the ILEC. There are a number of issues involved, such as whether there will be any grandfather provisions for existing customers (which we doubt), whether there will be restrictions on adding new customers (which we think will kick in quickly) and whether there will be distinctions between "new" and "old" customers (defined by some date after the order) in terms of how much the Bell can charge to keep that customer on the Bell switch. A related issue is whether there should be an FCC cap that gradually ramps up of the cost of switching during the transition. Some are also advocating that truly new entrants (those not currently in the market) should be given a defined window of several years to use UNE-P before being required to move to a UNE-L platform. We think resolution of these issues will depend to a great extent on how the other issues are resolved (i.e., the greater the state role, the shorter the FCC-mandated transition period is likely to be), so these are likely to be determined towards the end of the negotiating process.

B. The Business Market.

We believe the draft could actually improve the ability of the IXC's and the CLEC's to compete in the business markets, though those provisions are likely to be revised. As suggested in our December report, the Commission is likely, in our view, to provide some relief to facilities-based CLEC's. For example, we understand that the FCC is likely to adopt a rule that makes it harder for the ILEC's to refuse CLEC loop orders on the grounds that "no facilities" are available.

Another possible change is that the FCC may increase CLEC discounted UNE access to high-capacity lines - dedicated loops and also combinations of loops and inter-office transport known as Enhanced Extended Links (EELs). Apparently, the draft would eliminate "commingling" restrictions and replace current local "use restrictions" with less-stringent "service eligibility requirements" that would enable greater use of high-capacity access circuits at cheap TELRIC-based prices instead of more costly ILEC "special access" services. This

would be significant, as increased use of unbundled high-capacity circuits potentially pressures the Bells' access revenue streams while also altering key economic crossovers between switched access and special access. We estimate that special access currently provides approximately 10% of total Bell revenues and up to 15% of total Bell EBITDA. We understand that the Commission wants to help CLECs offer local services through high-capacity loops and EELs but without enabling the IXCs to significantly bypass special access for long-distance traffic. We think there will likely be a compromise that is not as negative for the Bells or as helpful to the IXCs as the draft apparently contemplates. Nonetheless, the draft language has put the Bells on the defensive on part of the item and could affect the negotiating process as the commissioners try to reach final agreements.

There are other elements of the draft that could give the ILECs additional relief, such as allowing interoffice transport to be eliminated in some markets. The draft sets two different parameters for the states to determine where transport should be eliminated: a point-to-point test favored by the CLECs and a geographic-area test favored by the Bells. While there is still a debate on this, we think the Commission is moving toward relying on the point-to-point test. The likely impact of this change on IXCs and larger CLECs would not be great, as many of them are already using competitive transport. In fact, some CLECs with significant amounts of local fiber (i.e. transport), such as Time Warner Telecom (TWTC), might even benefit from higher ILEC transport prices that create more competitive margin. A point-to-point test would also mitigate problems for smaller CLECs that are more heavily dependent on ILEC transport.

C. The broadband market.

We think that the Bells are likely to benefit from considerable deregulation of their broadband facilities. In particular, we believe that the Bells will receive unbundling relief when they deploy new fiber to the home (though we have our doubts as to how significant such deployment would be in the near-to-mid-term).

While there is some consensus on the principle of deregulating the Bells' broadband networks, there is still a considerable debate on the details and considerable uncertainty about the legal analysis, particularly as to impairment, that would lead to the Commission's preferred policy outcome. The key question appears to be how to treat hybrid fiber-copper systems. While the Bells prefer complete deregulation, the CLECs prefer continued access to the network elements, regardless of technology. One framework being discussed is to provide the CLECs the functional equivalent of what they have today, in terms of performance, at a TELRIC price. But this idea is raising questions of technical feasibility, Bell criticism of inadequate investment incentive, and CLECs' objections to any cap on data speeds for fiber loops to businesses. We note that in an interesting statement issued two days ago on a proposed Verizon (VZ) tariff, FCC Commissioner Kevin Martin suggested that agency staffers had in applying TELRIC to a new service. He said that the TELRIC pricing formula provides insufficient return for new infrastructure. This suggests to us that Mr. Martin might be arguing internally on broadband to guarantee CLEC access but allow the Bells to charge more than the current TELRIC formula would provide (we also note the FCC plans to review TELRIC in the future). As with the other issues in this review, while the general direction is clear, there is no majority yet for any decision.

We believe the broadband decisions will be the most important for capital expenditures and the future of network architecture. We think the FCC is likely to adopt rules that will go a long way toward providing the Bells the broadband relief they sought through the Tauzin-Dingell bill. Again, however, the details will be important for determining the timing and the nature of any new investments.

The draft also contemplates maintaining line-sharing rules, which are particularly important to Covad (COVD), but it is possible commissioners, in the horse-trading process, could take steps to increase the wholesale price for the CLEC, which in some states is apparently zero or trivial. We note line sharing would still be vulnerable in court, where they have already suffered one setback (There is also a possibility that the changes in the transport rules could negatively affect Covad, though at this point we think the point-to-point analysis would mitigate the problem.) The broadband issues presented in the UNE Triennial Review are pieces of a larger broadband puzzle currently before the Commission, including two broadband classification proceedings (wireline telco and cable) that the FCC expects to rule on later this year. To the extent that the FCC can point to some degree of existing intra-modal wireline competition for consumer broadband services, which line-sharing facilitates, it will make it somewhat easier for the Commission to continue down the path of reclassifying wireline telco broadband transmission as a Title 1 service, and possibly relax the nondiscriminatory access safeguards that unaffiliated ISPs currently enjoy.

D. Trade-off key to reaching final decision

One critical element to a final FCC decision is the inter-relationships of the issues, in our view. For example, all relevant disclosures appear on the last page(s) of this report.

the fewer the changes to the current hot-cut process, the more the Bells would be willing to give on the economic impairment analysis. The greater the role of the states, the more the IXC's and CLECs would be willing to give on the terms of the transition. Thus, until one can analyze all the different elements of the decision, it will be difficult to determine where and how soon UNE-P will be phased out. But in general, we would not be surprised to see some kind of deal that ultimately provides less UNE-P relief to the Bells (though still significant), but greater relief on broadband.

Additional Information Available Upon Request

Additional information is available upon request. The information contained herein has been prepared from sources believed reliable, but is not guaranteed, by us and is not a complete summary or statement of all available data, nor is it considered an offer to buy or sell any securities referred to herein. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situation or needs of individual investors. Employees of Legg Mason Wood Walker, Inc. or its affiliates may, at times, release written or oral commentary, technical analysis or trading strategies that differ from the opinions expressed. Within No investments or services mentioned are available in the European Economic Area to private customers or to anyone in Canada other than a Designated Institution. Legg Mason Wood Walker, Inc. is a multidisciplinary financial services firm that regularly seeks investment banking assignments and compensation from issuers for services including, but not limited to, acting as an underwriter in an offering or financial advisor in a merger or acquisition, or serving as a placement agent for private transactions. Of the securities we rate, 47% are rated Buy, 49% are rated Hold, and 4% are rated Sell. Within the last 12 months, our firm has provided investment banking services for 27%, 18% and 19% of the companies whose shares are rated Buy, Hold and Sell, respectively. Legg Mason Wood Walker, Inc.'s research analysts receive compensation that is based upon (among other factors) Legg Mason Wood Walker, Inc.'s overall investment banking revenues. Our investment rating system is three tiered, defined as follows. BUY - We expect this stock to outperform the S & P 500 by more than 10% over the next 12 months. For higher-yielding equities such as REITs and Utilities, we expect a total return in excess of 12% over the next 12 months. HOLD - We expect this stock to perform within 10% (plus or minus) of the S & P 500 over the next 12 months. A Hold rating is also used for those higher-yielding securities where we are comfortable with the safety of the dividend, but believe that upside in the share price is limited. SELL - We expect this stock to underperform the S & P 500 by more than 10% over the next 12 months and believe the stock could decline in value. We also use a Risk rating for each security. The Risk ratings are Low, Average, and High and are based primarily on the strength of the balance sheet and the predictability of earnings. © Copyright 2003 Legg Mason Wood Walker, Inc.

ATTACHMENT

LINE -COUNT BREAKDOWN OF BELL END OFFICES

AN relevant disclosures appear at the end of this note

As described in the 2/5/03 note, one approach the FCC is discussing to can, out its UNE impairment analysis for switching would be linked to the number of access lines in a Bell end office. Unbundled switching would presumably be eliminated for end offices with more than X number of lines and maintained for end offices with less than a lower Y number of lines, with state regulators given a greater role for end offices having between X and Y number of lines. If the FCC were to take that approach, where the FCC draws the two lines setting presumptive limits would be crucial (as would the guidance it would give to state regulators for reviewing the gray area in the middle). To give a rough idea of the impact of different numerical standards we have provided the following chart, which estimates on a national basis the number of Bell lines per end office. So, the majority of Bell offices have less than 5,000 lines, but they contain only 6% of the lines nationwide. Conversely, only 5% of Bell lines have more than 50,000 lines, but they contain 26% of the lines nationwide. We also note, for example, that 61% of Bell lines nationwide are in end offices with more than 25,000 lines.

No. of Access Lines in a Bell End Office	% of Bell End Offices Nationally	% of Bell Lines Nationally
< 5,000	51	8
5,000-10,000	14	8
10,000-15,000	8	8
15,000-20,000	5	8
20,000-25,000	5	8
25,000-30,000	4	8
30,000-35,000	3	8
35,000-40,000	2	7
40,000-45,000	2	7
45,000-50,000	1	5
> 50,000	5	26
Source: Legg Mason estimates		

Additional information is available upon request

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Bells Lose in Bid to Knock Out UNE-P, But Gain on Broadband



February 20, 2003

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- The FCC's UNE decision went largely as expected in that it gave state regulators broad discretion, including on reviews of UNE-P, which will complicate the prospects for Bell/ILEC relief.
- The UNE-P decision was a near-term defeat for the Bells and a victory for AT & T and WorldCom.
- At the same time, the FCC is giving the Bells broadband relief that offers them and equipment manufacturers the promise of longer-term benefits, and the Commission said it took steps to help facilities-based CLECs use high-capacity lines at discounted rates.
- We note that many details remain unknown and that the decision is likely to be challenged in court.

UNE-P.

The FCC found that, presumptively, unbundled switching - and therefore the entire Unbundled Network Element Platform (UNE-P) - should not be eliminated for "mass market" customers (residential and small business) but should be eliminated for the high-capacity loops of bigger businesses (DS-1 and above). This means Bells and competitors will battle in 50 states and DC over UNE-P. Many state regulators are sympathetic to UNE-P and they generally have nine months to act, so the elimination of mass-market UNE-P looks likely to be slow and messy, as we had suggested it would be. There is also to be a transition of three years after a finding of no impairment for eliminating unbundled switching, so we believe that existing UNE-P will likely continue to be a factor longer than the market, and even we, anticipated. This is a near-term victory for AT & T, WorldCom (WCOEQ), MCI/WorldCom (Z-TCL), and other UNE-P providers, which live to fight another day, and conversely, a defeat for the Bells, which had hoped for a quick kill. SBC appears to be the most vulnerable Bell, given its difficulty in gaining entry to the long-distance market and its tenuous relations with many of its state regulators.

BROADBAND.

The FCC ordered various levels of relief to be given to Bells, with more targeted for fiber-to-the-home and packetized hybrid fiber-copper loops. The FCC ordered line sharing (important to Covad, COVD) to be eliminated as a UNE, but established a three-year transition for phasing out the related unbundling discount. The Bell/ILEC relief was apparently even more than we anticipated, though we'll have to see more details. The FCC was particularly cryptic in this area. It said it acted to give facilities-based CLECs help in using high-capacity lines needed for serving business customers at discounted UNE rates, but maintained some sort of "safeguards," to presumably prevent IXCs, like AT & T and WorldCom, from using the rules to bypass higher special-access tariffs for long-distance traffic. Details will be especially critical here.

TELRIC.

The FCC said it was clarifying cost-of-capital and depreciation rules to make them more reflective of investment risks and actual equipment lifespans. ILECs will presumably use these changes to push for higher UNE rates.

PICK AND CHOOSE.

FCC said it was opening a proceeding to reexamine pick-and-choose rules that allow competitors to take advantage of the individual terms of any interconnection agreement without adopting the entire agreement. FCC said it had tentatively concluded the rules should be eliminated, which is good news for Bells and ILECs.

LITIGATION RISK.

There will obviously be court challenges, including from the Bells on the switching/UNE-P part. Without seeing more specifics, it's hard to go beyond noting that risk. The FCC issued an summary, but will likely take several weeks to issue a final order, with more details.

INVESTOR CALL WITH STATE REGULATORS.

Because of the importance of the state processes regarding **UNEs**, the Legg Mason Telecom Equity Research team will be hosting a conference call on today's **FCC's** Triennial Review decision with four commissioners tentatively confirmed: David Svanda (**MI**), Thomas Dunleavy (NY), Marilyn Showalter (**WA**), and Lila Jaber (FL) from state Public Service Commissions on Friday, February 21, 2003 at 11 a.m. EST; the call can be accessed at 888-841-5035.

Additional Information Available Upon Request

Additional information is available upon request. The information contained herein has been prepared from sources believed reliable but is not guaranteed by us and is not a complete summary or statement of all available data, nor is it considered an offer to buy or sell any securities referred to herein. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situation or needs of individual investors. Employees of Legg Mason Wood Walker, Inc. or its affiliates may, at times, release written or oral commentary, technical analysis or trading strategies that differ from the opinions expressed within. No investments or services mentioned are available in the European Economic Area to private customers or to anyone in Canada Other than a Designated Institution. Legg Mason Wood Walker, Inc. is a multidisciplinary financial services firm that regularly seeks investment banking assignments and compensation from issuers for services including, but not limited to, acting as an underwriter in an offering or financial advisor in a merger or acquisition, or serving as a placement agent for private transactions. Of the securities we rate, 47% are rated Buy, 49% are rated Hold, and 4% are rated Sell. Within the last 12 months, our firm has provided investment banking services for 27%, 18% and 19% of the companies whose shares are rated Buy, Hold and Sell, respectively. Legg Mason Wood Walker, Inc.'s research analysts receive compensation that is based upon (among other factors) Legg Mason Wood Walker, Inc.'s overall investment banking revenues. Our investment rating system is three tiered, defined as follows: BUY - We expect this stock to outperform the S & P 500 by more than 10% over the next 12 months. For higher-yielding equities such as REITs and Utilities, we expect a total return in excess of 12% over the next 12 months. HOLD - We expect this stock to perform within 10% (plus or minus) of the S & P 500 over the next 12 months. A Hold rating is also used for those higher-yielding securities where we are comfortable with the safety of the dividend, but believe that upside in the share price is limited. SELL - We expect this stock to underperform the S & P 500 by more than 10% over the next 12 months and believe the stock could decline in value. We also use a Risk rating for each security. The Risk ratings are Low, Average, and High and are based primarily on the strength of the balance sheet and the predictability of earnings. © Copyright 2003 Legg Mason Wood Walker, Inc.

From: Bob Crenshaw
To: Michael Copps
Date: Wed, Feb 5, 2003 3:32 PM
Subject: Save the UNE Platform

Dear Commissioner Copps:

FCC Chairman Michael Powell has announced his intention to eliminate the unbundled network element platform or UNE-P, a local market entry strategy utilized by many competitive entrants to serve the small business and residential telecommunications marketplace. Competitive carriers serve more than 10 million telephone lines nationwide through UNE-P, thereby affording the nation's consumers nearly \$9 billion in annual savings, facts noted by certain members of Congress in their January 24, 2003 letter to the FCC's Commissioners.

In a conversation with reporters this week, Chairman Powell made clear his view that UNE-P was intended by Congress to be a very short-term measure that would give competitors a boost until such time as they could build their own facilities. While that may be Chairman Powell's belief, it certainly does not reflect Congressional will. In adopting the Telecommunications Act of 1996 ("Act"), Congress expressly provided for three paths to local telecommunications market entry, i.e., new entrants would provide service through the construction of their own facilities, by accessing or leasing elements of incumbent local exchange carriers' ("ILEC") networks, or by reselling ILEC services. Congress expressed no preference for any of these strategies, choosing instead to rely on markets to determine which strategies best provide the maximum benefit to consumers and business customers.

In direct contrast to Congress' neutral view on merits of individual strategies, Chairman Powell is promoting a narrow industrial policy founded on his personal beliefs as to how the market should evolve, and he has made clear his intention to use the power of federal regulation to force telecom markets to conform to this "vision." Not only is Chairman Powell's position unsupportable and contrary to Congressional intent, but it also reflects a naive view of entrepreneurial market entry strategies. Competitive entrants into the local telecommunications market, commonly known as CLECs, do not seek to replicate the historical and inefficient network architecture of the ILECs. Rather, they seek to innovate and develop new applications and technologies that will enable them to offer many of the features and functionalities associated with traditional facilities, but that do not require the massive capital outlays associated with traditional facilities-based network buildouts. Many such new technologies are on the horizon.

The FCC's consideration of these issues arises out of both an ongoing proceeding and in response to a decision of the U.S. Court of Appeals ("Court") in *USTA v. FCC*, a decision in which the Court determined that the FCC had not adequately justified its rules requiring ILECs to make an enumerated list of unbundled network elements ("UNEs") available to their competitors. Accordingly, the Court remanded those rules to the FCC for further consideration, and directed the FCC to employ a more granular analysis, taking into consideration specific characteristics of individual local markets. Notwithstanding this mandate, Chairman Powell has indicated that the FCC should simply issue an order with revised unbundling rules by February 20, 2003, rather than dwell on arcane details and risk "chaos in the market." The details that Chairman Powell seeks to sidestep, if resolved unfavorably, would devastate an entire segment of the competitive industry and result in millions of small business and residential customers being left with no alternative to purchasing service from the ILEC. Also, this position flies in the face of the Court's ruling, in which it criticized the FCC for failing to undertake a detailed enough analysis in the first place. In addition, no "chaos" would ensue after February 20, 2003 if no decision is issued by that date. **CLECs** have existing contracts in place with **ILECs** providing for access to **UNEs**. **ILEC** unbundling obligations are grounded in the 1996 Telecommunications Act and state regulatory commissions stand ready to enforce those statutory obligations should the need arise. The FCC's unbundling rules were overturned once before, and the then sitting FCC Chairman negotiated an arrangement with the ILECs pursuant to which the ILECs would continue to make their network elements available on the same rates, terms, and conditions until such time as a thoughtful and reasoned revisiting of those rules could be undertaken by the FCC. Chairman Powell has taken no such steps here,

preferring the "threat of chaos" to further his personal agenda, rather than conduct a thoughtful analysis and reach an informed decision.

Based on his public statements, Chairman Powell's assault is primarily directed at local switching, one of the network elements that the Congress specifically required the RBOCs to offer in order to gain long distance authority. Chairman Powell, as well as certain members of Congress, has suggested that the mere existence of a number of non-ILEC local switches is proof that CLECs' ability to provide service to mass-market small business and residential customers will not be impaired if switching is eliminated as a UNE. This is an uninformed view to say the least, as the mere possession of a switch is a small part of the equation, and frankly the easy one. Indeed, the record is replete with evidence demonstrating that the costs and operational difficulties associated with deploying a switch-based network are so enormous as to preclude ubiquitous market entry utilizing such a strategy. To be clear, the issue for CLECs is not whether the mere purchase of a switch is possible, but rather whether the deployment of a switched-based network to serve mass-market customers is technically and economically feasible.

If Chairman Powell were to successfully undermine UNE-P, CLECs would be forced to attempt to deploy their own switch-based networks ubiquitously, irrespective of their business plans or what representations they made to the investment community. The issue is further complicated by an absurdly unrealistic notion of the time frames required for CLECs to responsibly deploy network facilities even were operational and economic impairments alleviated. There seems to be an expectation that these nascent enterprises should be able to gain access to capital sufficient to replicate 100 years of infrastructure in the blink of an eye, infrastructure, it might be added, that ILECs deployed on the backs of consumers through rate of return regulation. Yet Chairman Powell seems strangely offended at the possibility that CLECs might employ a market entry strategy that would allow them to sustain their operations while doing so. Given the stark reality that the capital markets will be unwilling to invest in CLECs who wish to operate in such a poorly conceived and risky environment, virtually all of the remaining CLECs that have managed to survive thus far will fail.

Because of the ILECs' bottleneck control over "last-mile" facilities, CLECs that possess their own switches are forced to deploy their networks in a manner that accommodates ILECs' historical and inefficient network architecture. This means that CLECs must construct physical facilities **between** their switch and the ILECs' premises, must build out space and place equipment at those premises, and most notably, must work with ILECs to undergo the mass migration of their customer bases to their newly deployed networks. In many instances the time and cost associated with these processes are so enormous as to render them infeasible, particularly when serving small business and residential customers. And as for the mass migration of CLEC customers from existing ILEC networks to CLECs' newly deployed networks, the record reflects that there simply are no mechanisms in place to ensure an orderly and seamless mass migration.

The discourse that is taking place in Chairman Powell's office largely centers on what hypothetical innovations and improvements are necessary to accommodate such a mass migration, with many of the proposed innovations having never been tested in the actual marketplace. Chairman Powell then appears prepared to make the extraordinary leap that since various innovations and improvements are hypothetically possible, a rule should be adopted relying on them to come to pass in the near future, and competitors should be deprived of access to ILEC switching based on that unfounded hope. This, of course, is placing the cart before the foal. The only rational course for the FCC to take is to first ensure that technical and operational hurdles faced by CLECs are addressed. Only after the ILECs have proven that they are able to address CLEC concerns can any meaningful review of the list of network elements ILECs must make available to competitors be undertaken.

Chairman Powell stated that he does not "believe UNE-P will work on a national basis" to provide sustainable competition, but in fact the truth is quite the opposite. UNE-P is the most stable and sustainable method of market entry currently available to CLECs, and thus the reason ILECs have launched a relentless assault geared towards its elimination. To those with operating knowledge of the telecommunications industry and the state of local competition generally, the self-serving and pernicious nature of ILEC attacks are so transparent that it would seem inconceivable that any thoughtful or responsible policy maker could allow such folly to resonate. Disturbingly, they have found a loyal and faithful friend in the FCC Chairman.

The Act was a great compromise, pursuant to which the Regional Bell Operating Companies ("RBOCs") could obtain authority to offer long distance services if they complied with the Act's market opening provisions, paramount among which is that the RBOCs open their networks to competitors. Now

that the RBOCs have largely gotten the quid (they have received long distance authority in 35 states and deeply penetrated many of those markets), they seek to renege on the quo. To allow the RBOCs to do so would result in the widespread elimination of the competition that has finally started to take hold, and the effective re-monopolization of the local telecommunications market.

Bob Crenshaw
President- Go-Comm, Inc.
972-852-2701 direct
972-484-5060 fax
<http://www.exceleron.com/>

From: Bob Crenshaw
To: Michael Copps
Date: Wed, Feb 5, 2003 3:33 PM
Subject: Save the UNE Platform

February 5, 2003

Dear Commissioner Copps:

I ask your support for the continued availability of the "UNE-Platform."

My company, Go-Comm. Inc., offers local telephone service in Texas and Tennessee. The company has achieved increasing success largely because it utilizes the combination of "unbundled network elements" - the UNE-Platform - to serve customers. It is absolutely critical that we have continued access to the UNE-Platform to remain competitive.

Unfortunately, the Regional Bell Operating Companies have launched a full-scale attack on the UNE-Platform, realizing it is a major threat to their continued market dominance. Their strategy is to impose certain restrictions on individual network elements that would destroy the competitive value of the UNE-Platform. If the RBOCs succeed, it will all **but** end any chance for consumers to enjoy the benefits of meaningful competition in local phone service.

Please oppose any effort at the Federal Communications Commission or at state agencies to limit the availability of the UNE-Platform. The UNE-Platform should be firmly and permanently established as a viable service option for competitive telecom carriers.

Thank you very much for your time and attention to this important matter.

Sincerely,

Bob Crenshaw
President - Go-Comm, Inc
972-852-2701 direct
972-484-5060 fax
<http://www.go-comm.com>

From: Bob Deeb
To: Michael Copps
Date: Thu, Feb 6, 2003 10:16 **AM**
Subject: UNEP



Feb. 6.2003

Dear Commissioner Michael J. Copps,

I ask your support for the continued availability of the "UNE-Platform."

My company, CornerStone Telephone Company, offers local telephone service in New York State. The company has achieved increasing success largely because it utilizes the combination of "unbundled network elements" - the UNE-Platform - to serve customers. It is absolutely critical that we have continued access to the UNE-Platform to remain competitive.

Unfortunately, the Regional Bell Operating Companies have launched a full-scale attack on the UNE-Platform, realizing it is a major threat to their continued market dominance. Their strategy is to impose certain restrictions on individual network elements that would destroy the competitive value of the UNE-Platform. If the RBOCs succeed, it will all but end any chance for consumers to enjoy the benefits of meaningful competition in local phone service.

Please oppose any effort that will limit the availability of the UNE-Platform. The UNE-Platform should be firmly and permanently established as a viable service option for competitive telecom carriers.

Thank you very much for your time and attention to this important matter.

Sincerely,

Robert G. Deeb
Agent Manager
Cornerstone Telephone Company

From: Bob Hale
To: Michael Copps
Date: Wed, Feb 5, 2003 5:16 PM
Subject: Please keep UNE-P alive

Dear Commissioner Michael J. Copps,

I am writing to request the UNE-P platform be saved at the upcoming "Triennial Review" scheduled for February 13.

My company, Granite Telecommunications, LLC is a premier provider of competitive local exchange telecommunications services in the Verizon and BellSouth service territories to over ten thousand subscribers. Granite also provides a host of competitive interexchange services. Granite's local exchange services are currently provided primarily utilizing Verizon and BellSouth unbundled loops, transport, and switching under the incumbents' unbundled network element - platform ("UNE-P"). Granite relies on **UNE-P** by necessity, due to the highly limited availability of competitive vendors of switching and transport facilities, and significant switch and facility deployment costs, which render incumbent UNE-P the only economically viable service medium available to Granite today.

Because of the ILECs' bottleneck control over "last-mile" facilities, CLECs that possess their own switches are forced to deploy their networks in a manner that accommodates ILECs' historical and inefficient network architecture. This means that CLECs must construct physical facilities between their switch and the ILECs' premises, must build out space and place equipment at those premises, and most notably, must work with ILECs to undergo the mass migration of their customer bases to their newly deployed networks. In many instances the time and cost associated with these processes are so enormous as to render them infeasible, particularly when serving small business and residential customers. And as for the mass migration of CLEC customers from existing ILEC networks to CLECs' newly deployed networks, the record reflects that there simply are no mechanisms in place to ensure an orderly and seamless mass migration.

It is for these reasons I request the UNE-P platform be saved

Sincerely

Bob Hale
Chief Executive Officer
Granite Telecommunications, LLC
234 Copeland Street
Quincy, MA 02169
phone 781 884 5550
fax 781 848 7955
cell/home 703 587 8960
website: www.granitenet.com

From: Bob Morrison
To: Michael Copps
Date: Wed, Feb 5, 2003 7:26 PM
Subject: Save the UNI-P Platform

Please see attached.

Thank you

Bob Morrison
The Morrison Group
463 Pennsfield Place
Suite 200
Thousand Oaks, CA 91360
805-495-1972 Phone
805-495-6860 Fax
www.morrisongroup.net



February 5, 2003

To whom it may concern

I ask your support for the continued availability of the "UNE-Platform."

My company, The Morrison Group, offers local telephone and long distance consulting service in California. **We** have numerous clients as well in other States as well. Our company has achieved increasing success largely because it utilizes the combination of "unbundled network elements"—the UNE-Platform - to serve our customers. It is absolutely critical that we have continued access to the UNE-Platform to remain competitive and not let SBC take over the Telecom market.

Unfortunately, the Regional Bell Operating Companies have launched a full-scale attack on the UNE-Platform, realizing it is a major threat to their continued market dominance. Their strategy is to impose certain restrictions on individual network elements that would destroy the competitive value of the UNE-Platform. If the RBOCs succeed, it will all but end any chance for consumers to enjoy the benefits of meaningful competition in local phone service.

Please oppose any effort that will limit the availability of the UNE-Platform. The UNE-Platform should be firmly and permanently established as a viable service option for competitive telecom carriers.

Thank you very much for your time and attention to this important matter.

Hob Morrison.

President
The Morrison Group

From: Brad James
To: Michael Copps
Date: Thu, Feb 6, 2003 12:37 PM
Subject: Save the UNE-Platform

Regards,
Brad James
James Communications
Corporate Telecommunications Consulting since 1987
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February 5, 2003

Dear **Mr.** Copps

I ask your support for the continued availability of the "UNE-Platform.

My company, James Communications, offers local telephone service in Southern California. The company has achieved increasing success largely because it utilizes the combination of "unbundled **network** elements." - the UNE-Platform - to serve customers. It is absolutely critical that we have continued access to the UNE-Platform to remain competitive.

Unfortunately, the Regional Bell Operating Companies have launched a full-scale **attack** on the UNE-Platform realizing it is a major threat to their continued market dominance. Their strategy is to impose certain restrictions on individual **network** elements that would destroy the competitive value of the UNE-Platform. If the RBOCs succeed, it will all but end any chance for consumers to enjoy the benefits of meaningful competition in local phone service.

Please oppose any effort that will limit the availability of the UNE-Platform. The UNE-Platform should be firmly and permanently established as a viable service option for competitive telecom carriers.

Thank you very much for your time and attention to this important matter.

Sincerely,

Brad James
President
James Communications

From: Brian Barkley
To: Michael Copps
Date: **Wed, Feb 5, 2003 4:31 PM**
Subject: SAVE THE UNE-PLATFORM



February 5th, 2003

Dear Commissioner Michael Copps:

I ask your support for the continued availability of the "UNE-Platform."

My company, Access One, offers local telephone service in select SBC territories. The company has achieved increasing success largely because it utilizes the combination of "unbundled network elements"— the UNE-Platform - to serve customers. It is absolutely critical that we have continued access to the UNE-Platform to remain competitive.

Unfortunately, the Regional Bell Operating Companies have launched a full-scale attack on the UNE-Platform, realizing it is a major threat to their continued market dominance. Their strategy is to impose certain restrictions on individual network elements that would destroy the competitive value of the UNE-Platform. If the RBOCs succeed, it **will** all but end any chance for consumers to enjoy the benefits of meaningful competition in local phone service.

Please oppose any effort at the Federal Communications Commission or at state agencies to limit the availability of the UNE-Platform. The UNE-Platform should be firmly and permanently established as a viable service option for competitive telecom carriers.

Thank you very much for your time and attention to this important matter.

Sincerely,

Brian Barkley
President
Access One Incorporated

From: Brian Komanetsky
To: Kathleen Abernathy, Michael Copps, KM KJMWEB, Commissioner Adelstein
Date: Wed, Feb 5, 2003 4:33 PM
Subject: UNE-Platform

Please see attached.

2.05.03

Dear Commissioner.

I ask your support for the continued availability of the "UNE-Platform."

My company, [company name], offers local telephone service in [geographic service territories]. The company has achieved increasing success largely because it utilizes the combination of "unbundled network elements" -- the UNE-Platform -- to serve customers. It is absolutely critical that we have continued access to the UNE-Platform to remain competitive.

Unfortunately, the Regional Bell Operating Companies have launched a full-scale attack on the UNE-Platform, realizing it is a major threat to their continued market dominance. Their strategy is to impose certain restrictions on individual network elements that would destroy the competitive value of the UNE-Platform. If the RBOCs succeed, it will all but end any chance for consumers to enjoy the benefits of meaningful competition in local phone service.

Please oppose any effort that will limit the availability of the UNE-Platform. The UNE-Platform should be firmly and permanently established as a viable service option for competitive telecom carriers.

Thank you very much for your time and attention to this important matter.

Sincerely,

Brian Komanetsky

Kom-Tel Consulting Services

From: Clark Crumer
To: Michael Copps
Date: Wed, Feb 5, 2003 4:49 PM
Subject: Save the UNE-Platform

Dear Michael J. Copps

This email is in regards to the Triennial Review including the fate of UNEs and the UNE-Platform,

As a small business sole proprietor who resells Telecommunications services, I would like you to know that abolishing UNE's and the UNE-Platform will eliminate a huge revenue base for myself and countless other small business owners. UNE allows me to give my clients a real full service solution.

In my occupational life I have been an engineer for SBC and a consultant for Hewlett Packard in regards to telecommunication services for the largest of carriers. I have seen both sides of the fence so to speak and believe that the current UNE-P structure benefits the end user the most. The competition generated and the creation of an even playing field for all is available today. By eliminating the UNE-Platform you will be destroying all the work and planning that has already been done and you will set the telecommunications industry once again back in the hands of the "biggest kids on the block".

Thank You,

Clark

Clark D Crumer
NorthStar Technologies
Voice & Data Services
888-408-7344
clark@northstar-technologies.com
www.northstar-technologies.com

From: Clayton Munson
To: Michael Copps
Date: Thu, Feb 6, 2003 10:08 AM
Subject: UNE-P

Dear Commissioner:

I ask your support for the continued availability of the UNE-Platform

I am a consumer who uses Talk America, which offers local telephone service in New Jersey. The company has achieved increasing success largely because it utilizes the combination of unbundled network elements the UNE-Platform - to serve customers. It is absolutely critical that competitive local carriers have continued access to the UNE-Platform to remain competitive, and benefit consumers.

Unfortunately, the Regional Bell Operating Companies have launched a full-scale attack on the UNE-Platform. realizing it is a major threat to their continued market dominance. Their strategy is to impose certain restrictions on individual network elements that would destroy the competitive value of the UNE-Platform. If the RBOCs succeed, it will all but end any chance for consumers to enjoy the benefits of meaningful competition in local phone service.

Please oppose any effort that will limit the availability of the UNE-Platform. The UNE-Platform should be firmly and permanently established as a viable service option for competitive telecom carriers.

Thank you very much for your time and attention to this important matter

Sincerely,

Clayton G. Munson

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<http://join.msn.com/?page=features/featuredemail>

From: cynthia
To: Michael Copps
Date: Wed, Feb 5, 2003 4:46 PM
Subject: UNE-P cornpetition

I think SBC has unbelievable nerve crying in television ads about wanting to get into long distance, and how unfair it is to customers as far as pricing and competition, while trying to do away with competition for local service through the UNE-Ps as it is today. Disgusting ! But normal for SBC !!

Sincerely.

Hans Herrmann
North Aurora, IL

From: Dan Carmody
To: Michael Copps
Date: Thu, Feb 6, 2003 11:26 AM
Subject: UNE-P

As a consumer I am appalled with the way the Reform Act of 1996 has been treated by the FCC and the RBOC, hand in hand bringing about the ruin of many start up companies due to the uncertainty of regulation and how authorities will effect the Law. I was abused by SBC as a business consumer when we switched to birch, a CLEC. They disconnected lines where they knew they were not supposed to, they disconnected service and made it hard on Birch to provide us the service we needed. Eventually we had to switch back to SBC just to avoid potential for service disruption. We have 20 lines.

UNE was branded as the way to bring about meaningful competition. Your oversight has been whip sawing providers, the investment community, and consumers. Please put this to rest once and for all so we can go about the future knowing what is going to be allowed and what is not going to be tolerated. Support the future of UNE-P and the CLEC industry. Do not allow the RBOC to push the law to the wayside. Consumers, investors, and small businesses need an open architecture, open switches, and access to the last mile at a reasonable and fair rate.

Dan Carmody
San Antonio, Texas
210-821-5080 Ext. 132

From: Dan Yamin
To: Michael **Copps**
Date: Thu, **Feb 6, 2003 10:27 AM**
Subject: Save UNE-P

February 6, 2003

Dear Commissioner Michael J. Copps:

I ask your support for the continued availability of the "UNE-Platform."

My company, CornerStone Telephone, offers local telephone service in New York State. The company has achieved increasing success largely because it utilizes the combination of "unbundled network elements" – the UNE-Platform – to serve customers. It is absolutely critical that we have continued access to the UNE-Platform to remain competitive.

Unfortunately, the Regional Bell Operating Companies have launched a full-scale **attack** on the UNE-Platform, realizing it is a **major** threat to their continued market dominance. Their strategy is **to impose** certain restrictions on individual network elements that would destroy the competitive value of the UNE-Platform. If the **RBOCs succeed**, it will all but end any chance for consumers to enjoy the benefits of meaningful competition in **local** phone service.

Please oppose **my** effort that will limit the availability of the UNE-Platform. The UNE-Platform should be firmly and permanently established as a viable service option for competitive telecom carriers.

Thank you very much for your time and attention to this important matter.

Sincerely,

Daniel Yamin
CEO/Partner
CornerStone Telephone Company

From: Dave Beckett
To: Michael Copps
Date: Wed, Feb 5, 2003 9:08 PM
Subject: Let the UNE-P environment continue

From my current experience and past experience I can say that small businesses benefit greatly from competitive LEC alternatives. Many good CLECs cannot progress without the UNE-P provision.

Dave Beckett

Stellar Communications LLC

Dave@StellarCom.biz

(503) 699-5505 (503) 699-1002 Fax

(866) DataCom (866) 328-2266

www.StellarCom.biz

From: David G. Wilming
To: Michael Copps
Date: Thu, Feb 6, 2003 9:45 AM
Subject: UNEP

Dear Kevin:

I am writing to urge your support of the UNEs and the UNE-Platform and stress its importance to local phone competition, consumer choice, and the small business economy.

Sincerely,

David G Wilming

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